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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 12, 2010

Mr. Bret Clark
Hub Research & Development Company
377 West 1500 South
Salt Lake City, Utah 84115

Subject: Evaluation of Reclamation Surety, Hub Research & Development Co., Bret Clark Mine, S/015/0043, Emery County, Utah

Dear Mr. Clark:

Thank you for your letter received December 28, 2009, with a reclamation cost estimate from Sinbad Construction Company, Inc. The Division usually does not accept contractor estimates for reclamation bonds because they generally do not contain the detail needed to verify the estimate.

If you want to have the Division consider a contractor's estimate, the Division needs to have detailed estimates of the amount of material to be moved and equipment productivity. Attached are worksheets used by the Division for reclamation cost estimates. Please provide this information no later than February 16, 2010, if you would like the Division to consider the contractor's estimate.

The Division needs to be named as a co-beneficiary on the surety being held by the Bureau of Land Management. The BLM holds a surety in the amount of \$5000.00, and Rule R647-3-111.2 authorizes the Division to recognize a reclamation surety held by another agency if the Division is named as a co-beneficiary on the surety.

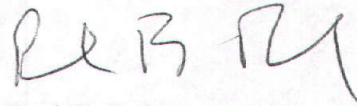
In addition, rule R647-3-111.4 requires that you submit a reclamation contract, and this form was sent to you with our September 29, 2009, letter. Please submit a signed copy of the reclamation contract.



Bret Clark
Page 2 of 2
S/015/0043
January 12, 2010

Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact me at 801-538-5261 or Wayne Western at 801-538-5263.

Sincerely,

A handwritten signature in dark ink, appearing to read 'P B Baker', written in a cursive style.

Paul B. Baker
Mining Program Manager

PBB:bg:pb
Attachment: Reclamation cost estimate forms
cc: Chris Conrad, Price BLM
Penny Berry, Bond Coordinator
P:\GROUPS\MINERALS\WPM015-Emery\S0150043-BretClark\final\bond-escal-01112010.doc